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Executive Director

Funding provided by

Town of Chapel Hill

Orange County

Town of Carrboro

Town of Hillsborough

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March 17, 2004

Mayor Kevin Foy and
Chapel Hill Town Council Members
Chapel Hill Town Hall
306 North Columbia Street
Chapel Hill, NC 27516

Re: Budget request

Dear Mayor Foy and Council Members:

The Board of Directors of Orange Community Housing and Land Trust (the Land Trust) has authorized me to request \$110,000 from the Town Council in fiscal year 2004-05. This represents a \$10,000 increase from our current allocation.

We have enjoyed a very productive relationship with the Council and the Town staff for the past several years and we anticipate continuing this partnership in the years ahead. The Council's inclusionary zoning policy has resulted in the development of affordable housing units in private sector developments such as Greenway Condominiums, Larkspur and Vineyard Square. In the past six months we have closed on seventeen homes in these three developments – and all of these homes are in the Land Trust.

In the year ahead we expect to close on an additional twenty homes in these three developments. By the end of fiscal year 2004-05 there will be more than 100 homes in the Land Trust, and almost all of them will be in Chapel Hill! All of these homes are affordable today and will remain affordable to future generations of citizens who cannot afford market-rate housing.

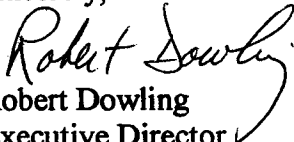
Looking beyond 2004-05, we expect to work with Habitat for Humanity on the Sunrise Road development in order to increase the diversity of housing and incomes in that proposed neighborhood. We also expect to continue working with private sector developers (one of whom will be visiting our office later this week). The Land Trust model also requires our involvement in every re-sale of a Land Trust property. As a result, we do not foresee any slowdown in the work that is required of our staff.

As you can see from the attached line-item budget, we are asking for increases from the Town and the County in order to maintain development fees at a sustainable level. If we become too dependent upon development fees, we run the risk that those fees are unattainable – and that would lead to financial problems that we would prefer to avoid.

We are very aware that the taxpayers of Chapel Hill contribute a large percentage of our operating budget, and we strive to keep our operating costs low. However, managing all these homes is time-intensive, complex work that requires experienced and dedicated staff. Retaining a productive staff entails higher personnel costs such as salaries and health insurance, which account for much of our operating cost increases.

We appreciate the Council's determination to include permanently affordable housing throughout Chapel Hill, and we look forward to continuing this partnership in the years ahead. Thank you for the support you have provided over the years.

Sincerely,


Robert Dowling
Executive Director

cc: Mr. Cal Horton, Town Manager

Orange Community Housing and Land Trust

Approved by the Board March 10, 2004				
		Approved	Proposed	
		2003-2004	2004-2005	
		Budget	Budget	
INCOME				
	Chapel Hill	100,000	110,000	
	Orange County	100,000	110,000	
	Carrboro	20,000	20,000	
	Hillsborough	2,300	3,000	
	Total Core Funding	222,300	243,000	
Other Income				
	HOME funds	10,000	0	
	HUD Grant (1999)	10,000	10,000	carryover
	Fee Income	54,000	61,000	
	Private donations	2,500	3,300	
	Land lease income	7,560	11,280	
	Interest Income	1,200	3,000	
	Abbey Court	1,440	1,440	
	Homebuyer Class Donations	1,500	1,500	
	Miscellaneous Income	500	500	
	Total Other Income	88,700	92,020	
	TOTAL INCOME	311,000	335,020	
EXPENSES				
Personnel Expenses				
	Executive Director	51,820	53,375	
	Office Manager	27,115	27,928	
	Project Manager	35,644	37,000	
	Sales & Marketing Mgr	30,000	40,600	
	Land Trust Project Mgr	36,972	38,082	
	Health insurance	20,621	22,937	
	Retirement plan	9,078	9,849	
	Payroll Taxes	15,886	17,236	
	Discretionary staff bonuses	5,000	5,000	
	Subtotal Personnel	232,136	252,007	
		Approved	Proposed	
		2003-2004	2004-2005	
Operating Expenses				
	Equipment/Furniture	1,000	1,200	
	Insurance	6,000	6,000	